



**HEALTH CARE FINANCING ADMINISTRATION
CENTER FOR MEDICAID AND STATE OPERATIONS**

Disabled and Elderly Health Programs Group
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March 24, 1999

Ms. Mary B. Kennedy
Medicaid Director
State of Minnesota
Department of Human Services
444 Lafayette Road
St. Paul, Minnesota 55155

Dear Ms. Kennedy:

I am pleased to inform you that the Health Care Financing Administration (HCFA) is approving Minnesota's request for renewal of its Consolidated Chemical Dependency Treatment Fund (CCDTF) waiver program, authorized under sections 1915(b)(1) and (4) of the Social Security Act (the Act). This approval waives section 1902(a)(23) of the Act (the freedom of choice provision). This allows the State to require that chemically dependent Medicaid beneficiaries receive authorization and referral to certain services only through the CCDTF program. HCFA's approval also waives section 1902(a)(30) of the Act (a utilization review provision) so that localities may determine the medical necessity of chemical dependency rehabilitation services.

My decision is based on evidence the State has submitted documenting that the waiver program continues to be consistent with the purposes of the Medicaid program and meets all statutory and regulatory requirements.

Because the CCDTF program has been run successfully for more than 4 years, Minnesota will not be required to conduct an independent assessment of the waiver as part of any subsequent renewal request. The State will continue to be required, however, to conduct its own assessment of the waiver program's quality, access and cost-effectiveness for the purposes of any renewal request. Additionally, at the next renewal period, the State is requested to submit documentation as part of its cost effectiveness calculations that supports the State's estimates on the number of patient diversions from Medicaid inpatient facilities to alternative care settings that are not covered by Medicaid.

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Approval of this waiver renewal request covers the 2 year period of March 24, 1999, to March 23, 2001. I congratulate the State on past accomplishments under this waiver program and wish you and your staff continued success in the future.

Sincerely,

/s/

Theresa Pratt

cc:

ARA for Medicaid, Chicago Regional Office